

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Board of Trustees  
Benefits Committee Meeting  
April 30, 2002

TRUSTEES PRESENT: Ms. Joan Lewis, Chairperson  
Ms. Audrey Hidano, Vice-Chairperson  
Mr. Neal Miyahira

TRUSTEE ABSENT: Mr. Willard Miyake

ATTORNEY: Mr. John Deller, Deputy Attorney General

HEUHBTF STAFF: Mr. Tracy Ban  
Ms. Lynette Fukunaga  
Ms. Shirley Kawamoto  
Ms. Wanda Kimura

OTHERS PRESENT: Ms. Jean Aoki - HSTRA  
Mr. George Butterfield - HSTA-Retired  
Ms. Nani Crowell - HSTA MBC  
Ms. Ruth P. Kim - HSTA-Retired  
Mr. Miles Kubo - HDS  
Mr. Michael Moss - HMSA  
Ms. Karen Muronaka - HSTA-Retired  
Mr. Bert Nishihara - Health Fund  
Ms. Karen Sawai - HDS

I. CALL TO ORDER

The meeting of the Benefits Committee convened at 1:35 p.m. in Conference Room 303, No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii, on April 16, 2002.

II. APPROVAL OF MINUTES

Motion was made to approve the minutes of April 2, 2002. (Hidano/Miyahira)  
Discussion: The minutes reflect the changes that the Benefits Committee made to the RFP that has already been approved by the Board.  
Vote: Unanimously passed.

Motion was made to approve the minutes of April 16, 2002. (Hidano/Miyahira)  
Discussion: None.  
Vote: Unanimously passed.

III. NEW BUSINESS

- A. Presentation on Hawaii Public Employees Health Fund Annual Report  
Mr. Thomas Morrison, The Segal Company, with Mr. Bert Nishihara, Administrator of the Public Employees Health Fund, gave a presentation on the 39<sup>th</sup> Annual Report prepared for the Hawaii Public Employees Health Fund, plan year end, June 30, 2001. Mr. Morrison summarized the overview and layout of the report, which is a statistical exposition of enrollment, rates, and cost and noted that the largest growth was in the number of retirees. Overall, there was a 9.4% increase of total disbursements for the 2001 plan year over the 2000 plan year.
- B. Demographics of the State and County Employee-Beneficiaries  
Staff gave a presentation on the demographics of State and County employee-beneficiaries, both actives and retirees. Information was extracted from the HFIMS system based on medical plan enrollment as of April 30, 2002 and life insurance enrollments.

It was noted that 45 years is the workforce median age and the number of retirees is expected to grow significantly as baby boomers start retiring and people live longer. It was also noted that there is a significant number of employee-beneficiaries who currently are not covered. Benefit plan costs may be affected should these employee-beneficiaries seek coverage in the future.

- C. Future Educational Briefings  
Staff reported that invitational letters to give educational briefings were sent out. The briefing would focus on benefits offered - what organization saw as the employees' needs and the rationale, basis or factors considered in developing the types of plans offered. First Hawaiian Bank, Hawaiian Electric Industries, Kamehameha Schools, and Outrigger Hotels and Resorts accepted our invitation. Of the employee organizations invited, SHOPO will give a presentation and HFFA will provide a handout. HGEA declined, UHPA also declined due to insufficient staff. HSTA and UPW have not responded. Staff also sought input from the Federal sector, but their benefits office is in Washington, D.C.

IV. Future Agenda Items and Next Meeting Date

In response to a trustee's request, staff prepared and included in the committee's meeting packet, draft letters to HMSA, Kaiser, HDS, and Royal State National requesting estimated costs for continuing the same plan of benefits currently provided to participants in the Health Fund for the first Trust Fund plan year. Information requested include estimated monthly cost for a plan year commencing July 1, 2003 for single, two-party, and family participant; the additional cost of adding a student (between the ages of 18 and 25) and for retiree coverages (two-tier and three-tier) rates. This item will be discussed at the next scheduled meeting. A question was posed to

Mr. Moss, of HMSA, who will check with their underwriter on the time required to prepare a response to the above request before the benefits consultant is hired.

Next meeting is scheduled for Tuesday, May 14, 2002, 1:30 p.m. or Tuesday, May 21, 2002, 9 a.m. Agenda items include educational briefings by employee organizations and private sector groups. Presentations are estimated at one-half hour including question and answers.

V. ADJOURNMENT

Motion to adjourn. (Hidano/Miyahira)

Discussion: None.

Vote: Unanimously passed.

Meeting adjourned at 2:50 p.m.

Respectfully submitted,

/s/

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Joan Kamila Lewis, Chairperson

APPROVED on May 14, 2002.

DOCUMENTS DISTRIBUTED:

1. Minutes for April 2, 2002. (5 pages)
2. Minutes for April 16, 2002. (3 pages)
3. Public Employees Health Fund Annual Report Presentation. (82 pages)
4. Demographic Information of State and County Employee-Beneficiaries. (8 pages)
5. Draft Letter to Carriers (HMSA, Kaiser, HDS, and Royal State National). (13 pages)